FOR MYSORE STATE

Agri (1955) Department.

RD SERIES.

G.O. No. 1217

Dated 22/9/55

passed
By
Supdt

32

[Despatch Abstract.]

Civil Supplies - Rice - Scale thereof -
Allotment of 2000 Tons of rice to S.K.C.C.
W. Stores, Mangalore - Rom due to
clearing - Payment of Compensation.
Sanctioned

Grams: "FOOD" Telephone No. 12.

S.K. CENTRAL CO-OPERATIVE WHOLESALE STORES LTD. L 472

P. BOX No. 124

Sri S. Narsapaya, B. A., B. L., M. L. C.
President.

MANGALORE-1.

A.C.111/50-Sup. 18th September 1954

THIRD ASSISTANT SECRETARY 11769 23 SEP 1954 AGRICULTURE DEPARTMENT

The Secretary to Government,
Food and Agricultural Department,
Government of Madras,
Fort St. George,
MADRAS.

Sir,

Sub: Rice - Allotment of 2000 tons from Malabar in 1952 - Cleaning of stocks - Loss in bulk and cleaning charges - Reimbursement of.
Ref: Board's L.Dis.151629/A/53 SC dated 24-8-1954.

Being highly aggrieved by the orders of the Board of Revenue cited above turning down our appeal against the orders of the Collector of South Kanara disallowing the claim of this Stores to the tune of R. 8,235-15-11 being the value of the shortage of 389 mds. 26 seers of Malabar rice sustained as a result of cleaning and processing of stock of 3640½ bags as per orders of the Collector in his proceedings Ref.C.No.31077-52-A2 dated 24-12-52, I beg to prefer this appeal and pray that in consideration of the facts and circumstances narrated below, this appeal may be allowed.

As it is seen from the orders of the Board that "The Government have examined the request of the S.K.C.C.W.Stores Ltd. in detail and consider that there is no case for interference with the orders already passed by the Collector of South Kanara in the matter", I submit that the Government has not been appriased of the facts and circumstances of the claim of this Stores in its true and proper perspective and as such the orders passed thereon are inequitable and unjust. I, therefore, request that this appeal may kindly be considered on its proper merits and orders may be passed setting aside the orders of the Collector and the Board and allowing our claim of Rs. 8,235-15-11.

This Stores as the sole agent of Government was alloted and received between June and October 1952 a stock of 6000 tons rice from Tadepalligudam and 2000 tons rice from Malabar. We represented to the Collector of South Kanara as early as on 21-8-52 that out of the total quota of 8000 tons sanctioned to this District, at least 1000 tons may be cancelled and diverted elsewhere in consideration of the huge stocks held by us then against the very meagre offtake obtaining at that period. Despite this representation, the entire 8000 tons were dumped on us and we had to take them over on outright purchase basis. Again we requested the Collector on 14-11-52 for export of 2000 tons of rice out of the stocks then held by us to avoid inevitable deterioration of valuable foodstuff, but this request too did not find favour at the proper time.

As per his proceedings Ref.C.No.31077/52-A2 dated 24-12-52 (copy enclosed for ready reference) the Collector of South Kanara ordered clea ing and processing of the stock

P.T.O.

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President.

MANGALORE-1.

of Malabar rice then held by us on the advise of the Storage Assistant, Mangalore wherein it has been specifically stated that "<u>According to the orders contained in Board's Ref.No. 020791-U1(2)-47 dated 27-8-47 the cleaning charges of imported rice and the loss in bulk due to cleaning should be passed on to consumers by a suitable increase in the release price. However, in the case of Malabar rice, the cleaning charges and loss in bulk due to cleaning will be met from the excess collections made by the Stores on the sale of rice under this quota.</u>" The cleaning and processing was undertaken by this Stores in accordance with this order of the Collector directing cleaning of the stocks as they were in a 'highly deteriorated and damaged condition' and on the clear and definite understanding that the cleaning charges and the loss in bulk due to cleaning will be reimbursed to the Stores. A total stock of 2460½ bags containing 7281 mds. net was taken out for cleaning at five depots of this Stores with the following results.

		Mds. Srs.
a) Stock taken out for cleaning (3460½ bags)		7281 - 00
b) Quantity realised on cleaning:		
1) Good stock	6773 - 12	
2) Bye-products.. ..	118 - 2	
	6891 - 14	6891 - 14
c) Loss in bulk - a)-b)		389 - 26

The total loss of stock is, therefore, 507-28 mds. (118-2 plus 389-26). The process of cleaning was done under the direct supervision of the Civil Supplies officials. On completion of the process we claimed from the Collector of South Kanara a total amount of Rs.11,994-3-6 as per details below:

a) Cost of loss incurred in bulk:

Place	Quantity	Rate	Value.
1. Nileshwar	171 - 29	21- 0-0	3,606- 3- 7
2. Trikarpur	77 - 20	20- 8-9	1,592- 6- 2
3. Hosdrug	135 - 30	21- 0-2	2,852-14- 4
4. Pallikere	108 - 00	21- 0-5	2,270-13- 0
5. Kumbla	14 - 29	20-14-4	308- 3- 9
	507 - 28		10,630- 8-10
b) Cleaning charges	..	..	1,363-10- 8
c) Total - z) plus b)	..	..	11,994- 3- 6

In consideration of our claim, the Collector has sanctioned only Rs. 3,647-7-7, details of which are as below:

1. Nileshwar	56 - 00	20- 6-10	1,143-14- 8
2. Tricarpur	38 - 00	19-15- 8	759- 3- 4
3. Hosdrug	6 - 34	20- 7- 0	139-15-11
4. Pallikere	14 - 30	20- 7- 3	301-11- 0
5. Kumbla	2 - 18	20- 4-11	49-12- 0
	118 - 02		2,394- 8-11
b) Cleaning charges	..	..	1,363-10- 8
c) Total - a) plus b)	..	..	3,758- 3- 7

Telegrams: "FOOD" Telephone No. 12.

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President.

MANGALORE-1.

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Of the sum of Rs. 3,758-3-7 sanctioned as above after deducting Rs. 110-12-0 being sale proceeds of bye-products and empty gunnies realised a net amount of Rs. 3,647-7-0 was sanctioned to us. It may kindly be perused from the above that the Collector while calculating the loss in bulk has taken into account the loss as equivalent to the bye-products realised and has calculated the value thereof at cost price, thereby disallowing the margin of profit to the Stores. The claim for the shortage of 389 mds. 26 seers being loss in bulk due to cleaning has been totally disallowed.

The reason assigned for disallowing the claim of this Stores towards compensation for the loss in bulk is that the Stores is allowed profit margin towards shortage allowance and the loss is to be met therefore by the Stores. This is a flimsy reasoning as nowhere it is expressed or implied that shortage allowance is intended to cover losses due to cleaning and processing of stocks also. The enhancement of margin to meet shortage allowance sanctioned to the Stores brings in a total income of Rs. 5,954-13-0 in respect of the quota of 2000 tons Malabar rice and it cannot be expected that we should meet losses by way of cleaning out of this small income. The processing of stocks was not undertaken by this Stores as a voluntary measure but was undertaken as per orders of the Collector of South Kanara on the definite understanding that all losses in bulk will be reimbursed to the Stores. I submit the Collector has erred in finding at a belated stage that the loss in bulk should be met by the Stores from out of its profit margin despite his assurance in his order dated 24-12-52 that such loss will be compensated. It may also be noted in this connection that the Board has approved Collector's proposals for payment of cleaning char es and compensation for loss in bulk in its L.Dis.166895-A3/53-C5 dated 9-1-53 and nowhere excepting in the order disallowing our claim it is stated that the margin to cover shortage allowance also covers loss by way of shortage due to cleaning and processing.

On our representation to the Collector for a reconsideration of the orders passed and requesting to set right the injustice meted out and the consequent loss inflicted on us the Collector while reiterating the reasons referred in para above for disallowing the claim has also observed that "the correct weight of the quantity taken out for cleaning was not reported by the President. Hence the loss due to cleaning had to be determined as equivalent to the weight of the bye-products realised and with the result that the claim of the Stores for the value of 389-26 mds. being the shortage on acccunt of depreciation due to long storage could not be accounted." I submit here that the stocks taken out for cleaning were received by us in standard bags of 2 mds. net and we have not meddled with the contents until they were taken out for cleaning. As per Collector's orders dated 24-12-52 under para 3 the C.S. officials concerned were instructed personally to supervise the cleaning and note the actual shortage noticed in the stock register in terms of maunds and seers. The entire process was done at the depots of the tores as per instructions of and under the direct supervision of the C.S. officials. The C... officials did not direct the stocks to be weighed before being taken out for cleaning and as such the original weight of the bags were taken as the weight for cleaning. Had the C.S. officials insisted upon weighing the

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President.

MANGALORE-1.

stocks before taking out for cleaning, the weighment would have been done. In the absence of any such instructions, the original weight was taken into account. It clearly shows that the officials who supervised the process were convinced of the original weight of the bags as otherwise they would have insisted upon the weighment. The certificates issued by the officials on completion of the work shows the loss in bulk as reported by us and not as determined by the Collector. It is, therefore, not proper and equitable to disallow the claim of this Stores for compensation for the shortage of 389 mds. 26 srs on this plea.

The Board has not considered the fact that cleaning of stocks entails shortage in bulk which is not the same as the weight of the byeproducts realised as much weightage is lost during the process and cannot be accounted for.

The Board has failed to understand our plea that the Collector's findings are belated and contrary to his own previous instructions in the matter.

The Board has further failed to appreciate the fact that we have taken ample and proper precautions in appriasing the Collector with the correct stock position and requesting him once for cancellation of a portion of the allotment made to this district and again for export of the surplus stocks held in the district to avoid inevitable deterioration. If our representations were considered on its merits at the proper time, much foodstuff would have been saved not to say of the avoidance of the present claim and consequent disputes.

This Stores has been doing yeomen's service to Government and public during the entire period of control and rationing and has in the interest of the public carried on as agents as the Collector could not find a substitute when the Stores gave notice of its unwillingness to continue after 31-10-52. It is very hard that on the one hand the Government should allot stocks to this Stores and dump them on it despite its expressed views and on the other hand not to dispose of the same as suggested but compel the Stores to retain the stocks for months together and when deterioration sets in, direct the Stores to clean the same assuring that the loss in bulk will be met and finally refuse to allow the shortage on such cleaning in the presence and under the directions of the Food Officials.

I submit that great injustice has been done to the Stores by the orders of the Board and Collector and unbearable loss has been inflicted on us. I pray therefore that the above facts and circumstances may kindly be considered favourably and orders passed allowing compensation for the shortage of 389 mds. 26 srs amounting to Rs. 8,235-15-11 by setting aside the orders of the Board and Collector. Otherwise, this Stores will be subjected to great hardships and irrepairable loss as a reward to its past several years of honest and diligent service.

If called upon, I am prepared to explain the matter personally at an interview to be fixed and intimated to me.

Yours faithfully,

S. Narsapaya

President.

20.9.52.

Copy of Ref.C.No.31077/52-A2 Immediate dated 24-12-1952 of the Collector of South Kanara, Mangalore.

CIVIL SUPPLIES - Rice received from Malabar- Deterioration of - Cleaning of stocks before issue - Orders passed.

Ref: Letter No.139/52 dated 13-12-52 from the Storage Assistant, Mangalore.

The Storage Assistant, Mangalore in his letter cited above reports that 1382 bags of Cannanore rice held in Hosdrug depot is in a highly deteriorated and damaged condition. It is likely that the Malabar rice received in the other railhead depots of this district in the months of July to September 1952 might have begun to show signs of deterioration. The Storage Asst. suggests that the two varieties of Cannanore rice should be cleaned prior to issue and that the red rice may be given slight polishing to remove the bran and the excess broken rice seperated as far as possible. His proposal to transfer the stock to Mangalore for cleaning and issue to retailers is not approved as its price will be higher than that of the open market price. As the price of open market rice has increased in the Hosdrug Sub Taluk, it is hoped that the Malabar stock can be pressed into consumption after cleaning.

2. As the Board's orders regarding the export of rice from this district has not yeet been received, the Collector hereby directs that the rice received from Malabar in all railhead depots be issued to retailers only after proper cleaning as suggested by the Storage Assistant under the direct supervision of the Taluk Supply Officers Hosdrug and Asst. Taluk Supply Officers concerned. According to the orders contained in Board's Ref.No.020791-U1(2)-47 dated 27-8-1947, the cleaning charges of imported rice and the loss in bulk due to cleaning should be passed on to consumers by a suitable increase in the release price. However, in the case of Malabar rice the cleaning charges and loss in bulk due to cleaning will be met from the excess collections made by the stores on the sale of rice under this quota. Thus the present wholesale issue price in each railhead depots will be adopted for the cleaned stuff without any increase in price.

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3. The Taluk Supply Officer, Hosdrug and the Asst. Taluk Supply Officers of Kasargod and Nileshwar should personally supervise the cleaning and note the actual shortage noticed in the stock registers in terms of mds. and seers. Cleaning of stocks in each depot may be taken up according to the demands from the retailers. Tadepalligudam rice should not be issued till the stocks received from Malabar is completely disposed of. Rice dust and bran obtained after cleaning may be sold by auction.

4. The President, S.K.C.C.Stores Ltd., Mangalore is requested to issue necessary instructions to the depot Managers. The weekly statement showing the stock position and offtake of foodgrains in each depot may be promptly sent to this office. The stock of Malabar rice held in each depot may be shown seperately in red ink, as already requested by me.

/by Order/

Sd.

Rec.Dy.Tahsildar.

(True Copy).

K.Mohandas

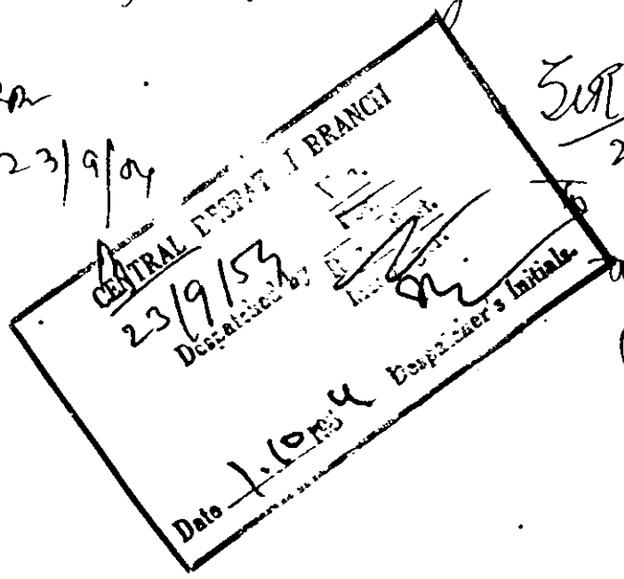
For President.

Agri (AE)

Endt no 117669 AE/57- d 24/9/54

Referred to Bd of Revenue for urgent remarks.

23/9/54



24/9/54

Bd of Revenue (with a Copy of Pp 1-7 above)

ER issued on 15/9/54

15/9/54

BOARD OF REVENUE (CIVIL SUPPLIES)

Subject

RICE - South Kanara District - allotment of 2000 tons to the South Kanara Central Cooperative Wholesale Stores - Loss due to cleaning Reimbursement Report.

Board's Ref. No. 72816/K/54 CS dated 18-10-1954.

From

125199

SRI S. VENKATESWARAN I.C.S.,
Commissioner of Civil Supplies
and Revenue & Settlement.
***

SRI K. SUPPA MENON I.A.S.,
Secretary to the Commissioner of
Civil Supplies and Food Production.
***

THIRD ASSISTANT SECRETARY
21 OCT 1954
AGRICULTURE DEPARTMENT

Read: 1) Government Memo No.76119 AII/54-4 AGriculture Department dated 6--8-1954.
2) Government Endorsement No.117669/AII/54 -1 Agriculture Department dated 24-9-1954.

With reference to the Government endorsement cited the Board submits that as already reported in the Board's Reference No. 154689/K/53 CS dated 27-5-1954, in the absence of information regarding the actual quantity taken out for cleaning, the weight of the bye-products viz., 118 mds. 2 seers has taken as loss due to cleaning and the stores was compensated for the loss. There is, therefore, no case for saying that there was additional loss of 389 Mds. 26 seers as a result of cleaning. If that were to be the case, there should have been bye-products upto or nearing that weight. In the circumstances the Board submits that there is no case for giving compensation to the South Kanara Central Cooperative Stores for the quantity of 389 Mds. 26 seers said to have been lost by the stores in the process of cleaning and which is not borne out by facts.

20/10/54

for SECRETARY.

To

The Secretary to the Government,
Agriculture Department,
Madras.

msa.19.10.

Agri (AII)

Memo no 117669 AII/57-2 d 3/11/57

Subj:- Civil Supplies - Rice - South Kanara Dt :- Allotment of 2000 tons to South Kanara Central Co-op. Wholesale Stores, Mangalore - Loss due to cleaning - Request for reimbursement.

Ref:- Correspondence resting with Bd's ref no 72876 K1/57 d. 18.10.57

The Bd of Agriculture is requested to furnish information on the following points:-

a) Whether the loss of 389 mds 26 seers of rice reported to have been sustained by the South Kanara Central Co-op. Wholesale Stores, Mangalore, in cleaning 7281 mds of rice is within the permissible limit in such cases; the maximum % of loss allowed in cleaning deteriorated stocks which has to be compensated to the Wholesaler, the S.K.C.C.S. W. Stores, in this case,

b) What was the exact

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Collection made by the S.K.C.C. w. stores in the allotment of Malabar rice imported by it in July 1952 and to what extent the loss might have been compensated to the stores by the excess collection.

(2) Whether the enhancement of the margin of allowances to the Co-op. Stores to Rs. 8-0 per md. w.e.f. 1-5-52 & the payment of the difference in the margin with retrospective effect from the above date, ordered in G.O.(Rt.)708 Agri. dt. 17-5-52.) will not cover the loss incurred by the Stores in the clearing of the stock of rice in question.

The Bd. of Revenue (CS) is requested to examine the case again w.r.t. the above points & submit its remarks at an early date.

21/11/52

CENTRAL DESPATCH BRANCH
21/11/52
No.
Date 8.11.52

To
The Bd. of Revenue (CS)
Chepauk
Madras

Returned herewith
on 24/11/52
24/11/52

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BOARD OF REVENUE(CIVIL SUPPLIES):

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SUBJECT

RICE - South Kanara district - Allotment of 2000 tons to South Kanara Central Co-operative Wholesale Stores - Loss due to cleaning - Reimbursement.

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Board's Ref:No.72816/K/54.(CS).,Dated: 31-12-1954.

From

Sri M. V. Subramanian, I.C.S., Commissioner for Land Revenue, Civil Supplies and Settlement.

Sri K. Suppa Menon, I. A. S., Secretary to the Commissioner of Civil Supplies and Food Production, Chepauk, Madras.5.

SECOND ASSISTANT SECRETARY 6 - JAN 1955 AGRICULTURAL DEPARTMENT

988

Read: Government Memorandum No:117669/AII/54-2., Agriculture department, dated: 3-11-1954.

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OP13-14 above

With reference to the Government Memo cited the Board submits that the shortage works out to 5.35%. As regards the maximum percentage of loss allowed in cleaning deteriorated stocks the Board submits that generally 2% is allowed as reasonable towards the dryage due to long storage etc., but this will depend upon the bonafides of the work done by the Stores. In the present case, the Collector of South Kanara has already reported that the stores was definitely asked to report the result of cleaning in the form of "Register of Standardisation and cleaning" and that it was the duty of the stores to correctly weigh the stocks before they were taken out for cleaning. The stores has not weighed the stocks before cleaning.

2 A sum of Rs.5058-13-7 was realised in excess by the South Kanara Central Co-operative Wholesalers Stores and it was set off against the enhanced margin of profit allowed by the Government. The enhanced margin of allowances ordered in G.O. 708, Agriculture Department, dated 19-5-1954 will not cover the loss sustained by the stores. But this need not be taken into account as the collector has ~~should~~ stated that there should have been bye-products up-to or nearing the weight.

3 The Board therefore submits that there is no case for granting compensation to the South Kanara Central Co-operative Wholesale Stores Ltd.,

[signature] 4/1/55

FOR SECRETARY.

To

The Secretary to the Government, Agriculture Department, Madras.9.

VG.4.1.55.

4.1.55

Taken for 995/53 17

Copy of Board's Ref.No.149135-H/53 dated 30th December 1954.

Sub: Wheat - Coimbatore district - Stocks transferred from Malabar - Shortages due to cleaning - ~~Charges~~ Cleaning charges - Compensation - Payment of - Certain merchants - Claims of - sanction - Requested.

5934(4)
31/1/55

In January 1953, 500 tons of wheat were transferred from Malabar to Coimbatore district. The Assistant Entomologist had reported that the stocks required cleaning and that it might be done at the receiving centres in Coimbatore in view of the inadequacy of power cleaning facilities at Calicut. The stocks were accordingly despatched from Malabar, and six wholesalers of Coimbatore took delivery of the stocks at the receiving centres, after ~~pay~~ paying the cost to the Collector of Coimbatore.

2. One, out of the six wholesalers, disposed of the stocks without cleaning. The remaining 5 cleaned the stocks according to the suggestion of the Assistant Entomologist. Out of the 5 wholesalers, only 4 have preferred claims for compensation towards the value of the loss and expenditure incurred in cleaning. The other wholesaler, G.Gopal Chetty, has not preferred any claim, in spite of a registered notice issued to him. It may therefore be taken that there is no claim from this wholesaler.

3. The claims of the remaining 4 wholesalers are examined herein:-

The quantities received by them, quantities obtained after cleaning, shortages occurred and the value of the shortage and cleaning charges are furnished in the statement appended. It will be seen therefrom that the total value of the shortage and the cleaning charges come to Rs.7,714-9-7. The Assistant Entomologist, Coimbatore has reported that the shortages had occurred in the process of cleaning the stocks of these 4 merchants, that the cleaning charges claimed are reasonable and that they may be accepted.

4. The point for consideration is whether the Government should pay compensation to these wholesalers in this case. The stocks in question were cleaned between January and March 1953 under official supervision according to the recommendation of the Assistant Entomologist. The stocks were purchased by the wholesalers ex.railway station and they have paid the cost of the stocks to the Government.

No 5. Immediately after decontrol of foodgrains in June 1952, instructions were issued in B.P.Rt.No.1300/52, dated 23-7-1952 that no compensation need be paid to the wholesalers for the expenditure and loss incurred in cleaning and fumigation of wheat and wheat products held by them on outright purchase. The stocks were then issued on the basis of the pool price of wheat fixed by the Government of India without any price control. Subsequently in December 1952, the Government were pleased to reduce the price of wheat by Rs.4-7-6 per maund and order its sale at the reduced rate. An informal control over the price of wheat was then exercised. According to the instructions referred to above, the wholesalers were expected to pass on the loss due to the cleaning in price fixation. But this was not possible, after the subsidized rates came into force. The Government were also pleased to issue consolidated orders for all foodgrains that in respect of the cleaning of the stocks held by the wholesalers under the outright purchase system the loss incurred by them would be borne by the Government - vide G.O.Ms.No.~~1444~~ 1444, Food and Agriculture,

19-

dated 18-9-1953. In these circumstances, the value of the shortage and the loss in cleaning in this case have to be borne by the Government. The Board requests that the Government might be pleased to accord sanction for the payment of a sum of Rs.7,714-9-7 to the four wholesalers of Coimbatore as indicated in the statement appended.

6. The expenditure is debitable to the new head of account "85.A.a.Grain Supply Schemes - L.Transactions relating to the Composite State - 1. Payments."

/ True Copy /

CBS.29.1.55.

Superintendent.

APPENDIX.

	Quantity received. Mds. 1	Srs.	Quantity obtained after cleaning. Mds. 2	Srs.	Shortages. Mds. 3	Srs.	Value of shortage (Net loss) 4 Rs. A. P.	Cleaning shortage (Net loss 5 Rs. A.
Pollachi Centre.								
1) Pollachi Cooperative Stores	2125	21	2022	20	103	1	1,367 10 1	524 15 0
2) A. Arumugam Chettiar	1648	37	1566	20	82	17	920 13 10	304 0 3
Udumalpet Centre.								
3) S.A.Thirumurthy Nadar.	2735	30	2609	00	126	30	1,746 3 8	505 0 6 170 15 9
4) Udumalpet Cooperative Stores.	2639	13	2531	18	107	35	1,521 13 2	653 1 4
					Total.		5,556 8 9	2,158 0 10

	Total. 6. Rs. A. P.
Pollachi Centre.	
1) Pollachi Cooperative Stores.	1,892 9 1
2) A. Arumugam Chettiar.	1;224 14 1
Udumalpet Centre.	
3) S. A. Thirumurthy Nadar.	2,422 3 11
4) Udumalpet Cooperative Stores.	2,174 14 6
Total.	7,714 9 7

/ True Copy /

CBS.29.1.55.

Superintendent

29/1/55

Copy of Ref.1502/53.R3 dated 12-1-1954 from the Collector of Coimbatore, to the Board.

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Sub: Civil Supplies - Wheat - Malabar district - 500 tons transferred to Coimbatore district - Payment of subsidy towards cleaning - Pollachi C.Sale Society - Pollachi.

Ref: Board's Ref.No.149133-H/53, dated 26-12-1953.

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500 tons of wheat were allotted to this district from Malabar in December 1952 in Board's Ref.No.193135-H/52, dated 5-12-1952. As the stuff received from Malabar was not of good quality, the wheat was cleaned before issues to the fair price shop keepers as per Board's Ref.No.193135-H/52 dated 30-12-1952.

The following quantities were received in the Reception centres as noted below:-

Centre to which despatched.	Quantity despatched in bags.	Gross weight. Mds.	Srs.	Net weight despatched. Mds.	Srs.
Pollachi.	2359	5384	04	5319	27
Udamalpet.	3560	8210	27	8113	20
Total.	5919	13594	31	13433	07

The quantities were distributed to the wholesalers as noted below:-

Pollachi centre.

Name of the wholesaler.	Quantity received (net) Mds.	Srs.
1. Pollachi Cooperative Sale Society, Pollachi.	2125	21
2. Sri A. Arumugham Chettiar.	1648	37
3. G. Gopal Chettiar.	1545	09
Total.	5319	27

Udamalpet centre.

1. Sri Thirumurthi Nadar.	2735	30
2. Udamalpet Town Cooperative Stores, Udamalpet.	2639	13
3. G. Gopal Chettiar and B. Muthugopal Chettiar.	2738	17
Total.	8113	20.

The wheat was cleaned by all the wholesalers of Pollachi centre and by Sri Thirumurthi Nadar and Udamalpet Town Cooperative Stores, Udamalpet of Udamalpet centre.

G. Gopal Chettiar and B. Muthugopal Chettiar, Udamalpet.

No cleaning was done. The stocks were transferred to Coimbatore and issued out for consumption prior to cleaning.

The Pollachi Cooperative Sale Society, Pollachi and Udamalpet Town Cooperative Stores, Udamalpet have claimed Rs.1886-2-10 and Rs.2174-14-6 respectively towards less incurred due to the cleaning of Malabar wheat.

The details for the amounts claimed are furnished below:-

p.t.o.

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1. Pollachi Cooperative Sale Society, Pollachi.

	Gross. Bags.	Mds.	Srs.	Net Mds.	Srs.
1. Quantity taken for cleaning.	920	2150	26	2125	21
Quantity obtained after cleaning.	809	2044	37	2022	20
Shortage.	111	105	29	103	01
2. Value of the shortage with the rates adopted.	14-14-7 per md. 1535-14--1.				

The components for the rate of Rs.14-14-7 per maund have been furnished by the Collector of Malabar in bills Nos.136(b) dated 28-2-1953, 135(b) dated 28-2-1953.

3. The number of gunnies saved and their value.	111 gunnies at 0-12-0 per gunny. Value Rs.83-4-0.
4. Quantity of by-products obtained and their value.	Bran 34 bags at 2-8-0 per bag. Value Rs.85-0-0.
5. The net loss (item 2 - (items 3 plus 4).	1367-10--1.
6. Expenditure incurred in cleaning as recommended by the Assistant Entomologist, Coimbatore.	518--8--9.
7. Total amount to be compensated. (items 5 plus 6)	1886--2-10.
8. When cleaning was done.	13-2-1953.
9. How long the stocks were in storage before the cleaning was taken up.	9-1-53 to 13-2-53.
10. Whether cleaning was done under the supervision of responsible Government Officer and if so whether he has certified to that effect.	Under the supervision of the Storage Assistant to the Assistant Entomologist, Coimbatore.
11. Whether the deterioration was not due to bad storage conditions.	Not due to bad storage conditions.

Subsidy application of the Pollachi Cooperative Sale Society, Pollachi and copies of the letters received from the Assistant Entomologist, Coimbatore (No.170/53, dated 11-6-1953 and No.170/53 dated 19-11-1953) are enclosed.

Udamalpet Town Cooperative Stores, Udamalpet

	Gross. Bags.	Mds.	Srs.	Net. Mds.	Srs.
1. Quantity taken up for cleaning.	1160	2671	00	2639	13
Quantity obtained after cleaning.	1013			2531	18
Shortage due to cleaning.	147			107	35
2. Value of the shortages with rates adopted.		Rs.14-14-7 per maund Value Rs.1608-9-2.			
3. No. of gunnies saved and their value at 0-8-0 per gunny.		73--8--0.			

4. Quantity of bye-products obtained and its value at 0-4-0 per bag for 53 bags.	13--4--0.
5. Net loss (item 2 (items 3 plus 4)	1521-13--2.
6. Expenditure in cleaning as recommended by the Assistant Entomologist, Coimbatore.	653--1--4.
7. Total amount to be subsidised.	2174-14--6.
8. When the cleaning was done.	17-1-53, 18-1-53 and upto 17-3-1953.
9. How long the stocks were in storage before the cleaning was taken up.	15 days in this district.
10. Whether the cleaning was done under the supervision of a responsible Govt. officer and is so whether he certified to that effect.	Cleaning was done under the supervision of the Assistant Entomologist, Coimbatore.
11. Whether the deterioration was not due to bad storage conditions.	NO

Subsidy application of the Udamalpet town Cooperative Stores Ltd., Udamalpet is enclosed.

I request that the following amounts may be sanctioned towards loss due to cleaning of wheat to the wholesalers as noted against each.

1. Pollachi Cooperative Sale Society, Pollachi. 1886--2-10.
2. Udamalpet Town Cooperative Stores, Udamalpet. 2174-14--0.

Regarding the other three merchants namely (1) S.A. Thirumurthi Nadar, Udamalpet, (2), Sri A. Arumugham Chettiar and (3) Sri Gopal Chettiar, I have called for additional particulars from the concerned Taluk Supply Officers. I shall send my report as soon as their replies are received.

The particulars called for in Board's Ref.No.149135-H/53 dated 26-12-1953 are furnished below:-

1. Total quantity actually issued.	(i) Total Quantity issued. Mds.	Srs.	(ii) Rate.
1. Sri Thirumurthi Nadar.	2609	00	16--0--1.
2. Udamalpet Town Cooperative Stores.	2531	18	16--0--3.
3. G. Gopal Chettiar and B. Muthugopal Chettiar.	2738	17	16--0--2.
Pollachi Centre:-			
4. A. Arumugham Chettiar.	1566	20	15-15-10
5. G. Gopal Chettiar.	1470	20	
6. Pollachi Cooperative Sale Society.	2022	20	

Copy of the price fixations for the rates Rs.16-0-1, 16-0-3, 16-0-2, and 15-15-10 are also enclosed.

(iii) Bills of the Pollachi Cooperative Sales Societies with the certificate:

The total quantity received at the two centres as per bills are correct.

The amounts collected at the two centres are furnished hereunder.

Name of the Centre.	Quantity received. Mds.	Srs.	Value collected.
1. Udamalpet.	8113	20	1,20,984--1-10.
2. Pollachi.	5319	27	79,324--2--2.

These amounts were included in the Bank draft No.Gr. 232796,~~x~~ dated 7-4-1953 sent in advice No.35 dated 8-4-1953.

No shortage allowance was included in the price fixations for Malabar ~~x~~ wheat.

Malabar Collector's Ref.13506/52 CS dated 4-12-1953 with bills in duplicate are also enclosed.

/ True Copy /

Copy of No.170/53 dated 11th June 1953 of the Assistant Entomologist, Coimbatore.

Sub: Civil Supplies - Wheat - Malabar district - 500 tons transferred to Coimbatore - Cleaning particulars - Furnished.
Ref: Collector' of Malabar Ref.BB3.1350/6/52 dated 15-3-53.
Collector of Coimbatore, Ref.No.1502/53 H3, dated 6-~~4~~-53.

The following particulars are furnished regarding the 500 tons of Malabar wheat transferred to Coimbatore.

Udamalpet.

Name of wholesaler.	Quantity received. Mds.	Srs.	% of loss in cleaning recommended.	Amount spent on cleaning, bagging transferring etc. recommended.
1. Sri Thirumurthi Nadar.	2735	30	4.5	512-15--3.
2. Udamalpet Town Cooperative Stores.	2639	13	4.1	653--1--4.
3. G. Gopal Chettiar and B. Muthugopal Chettiar.	(Figures not yet received.)			

Pollachi.

4. Sri A. Arumugham Chettiar.	1648	37	4.4	304--0--3.
5. Gopal Chettiar.	1545	9	4.3	(Not yet received.)
6. Pollachi Cooperative Society.	2125	21	5.2	-do-

The concerned Taluk Supply Officers have been requested to furnish the details regarding the stocks issued to M/S. G. Gopal Chettiar and B. Muthugopal Chettiar and the amount spent on cleaning by the two wholesalers in Pollachi. They will be furnished as soon as received.

/ True Copy /

CBS.31.1.55.

Superintendent.

31/1/55

Agri(A II) 31

Memo no 117669 A II/Sp-4 dt 2/2/55

Subj:- Civil Supplies - Rice - South Kanara Dt - Allotment of 2000 tons of rice to S.K.C.C.W. Stores, Mangalore - Loss due to cleaning - Reimbursement of

Ref:- Correspondence ending with the Bd's xpro 72816 K/Sp (4) dt. 31.12.54

— ooo —

In its reference cited, the Bd of Revenue) has reported that the shortage on account of the cleaning of 7289 mds of rice by the S.K.C.C.W. Stores, Mangalore, works out to 5.35% and that the maximum percentage of loss allowed in cleaning deteriorated stocks is generally 2%. The Bd is requested to state whether there were not cases in which the Govt allowed the shortage of more than 2% on account of the cleaning of rice and if so, why the shortage of 5.35% on account of the cleaning of 7289 mds of rice by the S.K.C.C.W. Stores should not be allowed.

2. In the reference no 31077/52 R.2 dt. 24.12.52, the Collr of South Kanara directed the T.S.O, Kasaragod and the A.T.S.Os of Kasaragod and Nileswar to sign

personally the cleaning of rice by the S.K.C.C. W. Stores and note the actual shortage noticed in the stock registers in terms of mds and seers. In view of the above instructions, it is presumed that the cleaning of rice was done by the Stores under official supervision only and the officials noted the shortage as directed by the Govt. The Bd is requested to say whether this was done and, if so, to report the shortages actually noted down by the C.S. officials at the gruing cleaned.

3. In its reference no 72516/Kg (4) d. 15.10.54, the Bd has reported that, in the absence of information regarding the actual quantity taken out for cleaning, the weight of the by-products viz 118 mds 2 seers has been taken as loss due to cleaning and that the Stores was compensated for the loss. In actual practice, the weight of the by-products realised in cleaning will be less than the actual loss by cleaning, as dust, mixed weevils etc are blown away and not accounted for in the by-products. The attention of the Bd is, in this connection invited to the letter no

p. 11 F

- Pp 23-24F

1502/53 R3 d. 12/1/54 from the Govt & Coimbatore (Copy sent to Govt with the Bd's

- Pp 17-19F

Memo no 169135 H4/53 d. 30/12/54), in which the reported the the quantity lost in cleaning wheat and the bye-products realised by the Pollachi Coop Sale Society, Pollachi and the Udumalpet Town Coop Stores, ~~Udumalpet~~ Udumalpet:

	Name of Society	Shortage	Bye-products
1.	Pollachi Coop Sale Society	mds — srs 103.01	34 bags (Jowar)
2.	Udumalpet Town Coop Stores	107.35	53 bags

Vide Z and M on P25F

In view of the above, the Govt in the Bd that the weight of the bye-products viz 118 mds 2 seers has been taken as loss due to the cleaning of rice by the S.K.C.C.W. Stores is not correct.

V on P25F and P27F

There should have been several instance where the loss in Grain in Cleaning is not always equivalent to the Shortage

4. The Bd is requested to examine the case again in the above point and submit its report at a very early date

Upn

1/2/55

1/2/55

1/2/55

CENTRAL SECTT. PATCH BRANCH
Date
Time
Initials
Despatch
To
Dist Bd / Govt (4)

URGENT.

BOARD OF REVENUE (CIVIL SUPPLIES)

-- SUBJECT

CIVIL SUPPLIES- Rice- South Kanara District- Allotment of 2000 tons of rice to South Kanara Central Cooperative Wholesale Stores, Mangalore - Loss due to cleaning - Reimbursement of.

-x-x-x-x-x-x-x-x-x-x-x-x-x-x-x-x-x-x-x-x-x-x-x-x-x-x-x-x-x-x-x-x-x-x-x-

Board's Ref. No. 72816 A3/ 54 CS dated 27-7-1955.

From

SRI ~~S. VENKATESWARAN~~ M.V. Subramaniam, I.C.S.,
Commissioner for Land Revenue,
Civil Supplies & Settlement.

...

SRI A. SOMASUNDARAM B.A.,
Additional Secretary,
Board of Revenue.

THIRD ASSISTANT SECRETARY TO GOVERNMENT
1-AUG 1955
AGRICULTURE DEPARTMENT

***

Ref: 1. Government memo No:117669 AII/54 -4 Agriculture dated 2-2-1955.
2. From the Collector of South Kanara L.Dis 11762/55 dated 3--5--1955.
3. Government Memo No.117669 AII/54 -6 Agriculture dated 13-7-1955.

With reference to para 1 of the Government memo cited, the Board submits that the allowance of 2% referred to by it in its reference even number dated 31-12-1954 was towards dryage due to long storage. In the case of cleaning of deteriorated stocks, the shortage is allowed with reference to the recommendation of the Assistant Entomologist, who fixes the percentage of shortage allowance in each case taking into consideration the condition of the stocks proposed to be cleaned, the period of storage of stocks etc.. In the following cases, shortages of more than 2% were allowed by the Government.

Board's No.	Govt. No.	Details	
1. 68728-K/54 dated 21.10.54	G.O.Rt, No. 1628 Agri. dated 10-11-54	Total quantity taken up for cleaning	MD. 2192
		SHORTAGE	
		Invisible shortage - 86.4	
		Visible shortage - 12.12	
		Total 98.16	
			MDS.
2. 69563K/54 dated 1-11-1954.	G.O.Rt. 1665 Agri. dated 16-11-54.	Quantity taken up for cleaning.	1608
		Shortage.	118
3. 69556 K/54 dated 29-10-54	G.O.Rt. 1662 Agri. dated 16-11-54	Quantity taken up for cleaning.	Mds. Srs. 1619.20
		Shortage	76.37
4. 69284 K/54 dated 29-10-54.	G.O.Rt. 1648 Agri dated 13-11-54	Quantity taken up for cleaning	386-26
		Total shortage	15.21

But in the present case, the rejection of the claim

pto

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claim of the S.K.C.C. Stores was recommended on the following grounds:-

i) That the version of the stores that the shortage of 389 mds. 26 seers was due to cleaning of 7281 Mds. of rice was not correct,

ii) that the stores ought to have weighed the stocks before they were taken out for celaning,

iii) that there should have been by-products upto or nearing the weight of additionmade in 389 Mds. 26 seers in question and

iv) that the Stores were allowed a fixed consolidated margin of annas eight per maund which were intended to meet the expenditure incurred by the Stores towards handing, transport charges, godown rent, shrinkage, dryage and profit.

2. With reference to para 2 of the Government memo cited, the Collector of South Kanara has reported that the Civil Supplies officials were instructed to supervise the cleaning personally. The Stores was also instructed to send a statement in Civil Supplies form 83 after completion of the work. But the Civil Supplies officials noted the reputed weight instead of noting the actual weight. The shortages thus noted by the Civil Supplies Officials on the basis of the reputed weight agree with the claim preferred by the Stores, which does not, however, represent the shortages on account of cleaning. The Board, therefore, submits that the Civil Supplies officials supervised the cleaning and the shortage noted by them agrees with the claim of the stores but that the assessment of the shortage was not done correctly.

3. With reference to para 3 of the Government memo cited the Board submits that it is a fact that in the case of wheat cleaned in Coimbatore District, the bye-products obtained were lower than the shortages noticed. In the present case as there is no data to assess the correct shortage due to cleaning, the Collector has allowed the shortage only to the extent of the bye-products obtained. In this connection, the Board invites the attention of the Government to their memo No.76119 A.II 54-4 Agriculture dated 6-8-1954 in which the claim of the stores in regard to the shortage of 389 Mds. 26 seers was rejected. The stores in not having weighed the stocks before cleaning, apparently wanted to get the shortages on account of deterioration in shortage also to be included in the shortages on account of cleaning. This was quite irregular. The Board, therefore, submits that there is not case for allowing the claim. However, if the Government are inclined to take a lenient view of the case and to give compensation to the Stores, they should atleast be deprived of the shortage allowance of 2 annas per maund earned by them in respect of the stocks in question, because the stores are not entitled to it in addition to the compensation for the entire shortage to be given to them. In that case the amount of compensation payable to the Stores will be Rs.7389-4-11 (Rs. 8235-15-11 minus 2 annas per maund on 6773 Mds.12 Srs. or Rs.846-11-0).

4. A copy of the Collector's report cited is enclosed. The Exchange reminders received from the Government are also enclosed.

for ADDITIONAL SECRETARY.

To

The Secretary to Government,
Agriculture Department, Madras.

msa.29.7.

37

Copy of letter No.L.Dis-11762/55 dated 3-5-1955 from the Collector South Kanara to the Secretary to the Commissioner for Civil Supplies, Madras.

...

Sir,

CIVIL SUPPLIES - Rice - South Kanara District- Allotment of 200 tons of rice to S.K.C.C. Stores Ltd., Mangalore Loss due to cleaning- reimbursement of- remarks- report submitted.

N.C Board's Ref. No.72816/K/54 CS dated 15-4-1955.

.....

In Collector's Ref. No.31077/52-R dated 24-12-52, the Taluk Supply Officer, Hosdrug and the Asst. Taluk Supply Officers of Kasaragod and Nileshwar were directed to supervise personally the cleaning of rice by the Stores and note the actual shortage noticed in the stock registers in terms of Mds. and seers. Again in Collector's proceedings of even No. dated 17-1-1953, the President S.K.C.C. W. Stores, Ltd. Mangalore was requested to send a statement in C.S.A form 85 after the cleanning of the stock was completed. It was the duty of the stores and the Civil Supplies Officials concerned to have correctly weighed the stocks before they were taken out for cleaning, without any specific direction to do so from this office, as otherwise the information required to fill up Col.4 of the statement could not be gathered correctly. Instead of noting the actual weight after weighment, the reputed weight has been noted in Col.4. Thus the shortages actually noted down by the Civil Supplies Officers on the basis of reputed weight agrees with the claim now made by the Stores, which does not, however, represent shortages on account of cleaning above.

2. As the shortages reported by the Civil Supplies officials and the stores included, shortage on account of shrinkage also, the weight of the bye-produces realised was taken as the loss in bulk due to cleaning. It is true that in actual practice, the weight of the bye products realised in cleaning will be less than the actual loss by cleaning, as dust insect weavils etc., are blown away and not accounted for in the bye products. But at any rate the quantity blown away may not be much in excess of the weight of the bye products realised and amount to 389.26 Mds. as claimed by the Stores. There are no further remarks to offer.

Sdpxxx
for Collector.

Par 27.7.55.

/True copy/

Superintendent.
29755

Agts (AL)

Sub:- Civil Supplies Dept - Govt Licence No - Allotment of 2000 tons of rice to S.K.C.C.W. Stores, Mangalore Road due to closing - Payment of Compensation - Sanctioned.

Ref:- 1. From the President of the S.K.C.C.W. Stores, Mangalore, dtd RC III/50-Sup d. 18/9/54.
2. From the Bg of Rev(4) dtd 72816 A/54(4) d. 18/10/54.
3. From the Bg of Rev(4), dtd 72816 A/54(4) d. 31/12/54.
4. From the Bg of Rev(4), dtd 72816 A 3/54(4) d. 27/7/55

Gov Dtl no 1217 d 22/9/55

The Govt have carefully examined the recommendations of the Bg of Rev(4) made in its reference fourth cited. They consider that a lenient view should be taken in this case of the case. They accordingly sanction the payment of a sum of Rs 7,389/4/11 (Rupees seven thousand three hundred and eighty nine,

M. mm My myself

Rs 22/9/55

typed 23/9

pp 1-7 cf

pp 11 cf

p15 cf

pp35-36 cf

LPO

annas four and pies eleven (Rs 8235-15-11 minus the shortage allowance of annas 2 per md already allowed on 6773 mds 12 seers @ 2½ or Rs 846-11-0) by the S.K. C.C.W. Store, Mangalore, South Kanara Dt, on Compensation towards the value of the rice lost by the Store while cleaning 7281 mds of rice allotted to it during July 1952.

2. The exp. should be debited to "85-A. Capital outlay on Schemes of State Trading a. Grain Supply Schemes - R. Transactions relating to the Composite State - ii) Payments"

3. The President of the S.K.C.C.W. Store, Mangalore, is referred to the Bd of Revenue for orders on his petition dated 14.9.53

Sd/- 15/9/53

Sd/- 15/9/53

CENTRAL DESPATCH BRANCH

Despatched by ... Post/Messenger

Date ... 195 . Despatcher's Initials.

To

The Bd of Revenue.

Ag Secy

Fin

Copy to the Ag to go direct by name.

To

The President,
The S.K.C.C.W. Store,
Mangalore, S. Kanara Dt

Copy of PP 1-7 & PP 35-37 enclosed

(Cno 117669 A III/54)

Agri (A II)

Subj:- Civil Supplies - Rice - South Kanara Dist - Allotment from Madras & S.K.C.C. W. Stores Mangalore - clearing of stocks - Loss - Re-lodgement.

Ref:- 1. From the S.K.C.C.W. Stores. rpno RC no 111/50 dt. 18/9/54.

2. From the Bd of Rev (M) rpno 72816 K/54 (4) dt. 18/X/54

Please see the petn from the S.K.C.C.W. Stores, Mangalore, on pp 1-7 cf. requesting the payment of a sum of Rs 8235/15/11 being the value of 389 mds 26 seers of rice lost by it, while clearing 7281 mds of rice allotted to it during July 1952 and the Bd's remarks on pp 11 cf.

2. Out of the total shortage of 389 mds 26 seers in clearing 7281 mds of rice, the Coll of South Kanara allowed compensation for 118 mds 2 seers of dye-products realised and disallowed the claim towards the loss in bulk of 389 mds 26 seers, as the Coll determined the loss on account of clearing as equivalent to the dyeproducts realised. The Coll rejected the request for the following reasons:-

a) The stock was not weighed before it was taken out for clearing and the correct

pp 1-7 cf

pp 11 cf

Vide A enclosure of pp (M)

weight was not recorded.

(b) The profit margin has been enhanced to Rs 0.8.0 per md in order to enable the Store to meet loss on account of shortage due to long storage. Ans pl of q (M)

3. The Store appealed to the Bd in December 1953. While forwarding the appeal petn to Govt, the Bd reported that, in respect of outright purchase transactions in all dtg, the wholesalers were allowed fixed consolidated margin of about 8 annas per md, which was intended to meet the expr incurred by him on handling charges, transport and godown rent and shrinkage, drynage and profit and that this lumpsum allowance was given irrespective of the amount actually spent by the wholesaler under each item. The Bd further stated that, if he had any loss under one item, he must make it up from the profit under the others and that, in the case of the loss to the Store need not be admitted. The Govt accepted the Bd's recommendation and asked the Bd to give a suitable reply to the Store. Op 3-7 of q (M) para 4 of p 2 of q (M) Op 21-22 of q (A)

4. The Store has come up to the Govt now. making the same request. The President of the Store has also stated that he is prepared to explain Ans pl of q (A) Ex p 7 of

A

the matter to the Secretary, if called upon to do so. The Bd's remarks in the matter are at pp 11 cf. The Bd considers that, in the absence of information regarding the actual quantity taken out for cleaning, the weight of the byeproducts viz 118 mds 2 seers has to be taken as loss due to cleaning and that the Stores was compensated for the loss. It has further stated that there is no case for saying that there was a dal loss of 389 mds 26 seers as a result of cleaning, and that, if that were to be the case, there should have been byeproducts upto or nearing that weight. In the Ofce, the Bd has recommended that there is no case for giving compensation to the Stores for the quantity of 389 mds 26 seers of dal said to have been lost in the process of cleaning and which is not borne out by facts. It is for orders whether the Bd's recommendation will be accepted.

p 11 cf

5. Fin may see for remarks.

Hon
21/4/54

Bn
21/X/54

The Bd's recommendation maybe accepted & the claim rejected.

It is for Consideration whether the Secy would like to hear the President of the Stores

P.T.O

before passing final orders—
Vide A on pp 2-3 above and X
p 7 Cf.

SJR
24/10/54

Sheriff to sign—

5

Received,

(i) Exam. of B; with ref. to 'A' on p 9 Cf

Secretary wanted the following points to be examined further:

(i) Whether the loss of 389 mds 26 srs of ~~%~~ % age of loss as reported to have been sustained by the Coop. Stores Kannur in clearing 7281 mds of rice is within the permissible limit in such cases; the maximum % age of loss allowed in clearing determined stocks which has to be compensated to the wholesaler, the Coop. Stores in this case;

(ii) What was the amount of excess collection made by the Stores in the ~~quota~~ allotments of Malabar rice imported by it in July 1952 & to what extent the loss might have been compensated to the Stores by the excess collection

(iii) Whether the profit margin of 8 as per md. will be adequate to cover the loss due to the shortage in clearing?

Point (i) :- It may be stated that no absolute upper limit seems to have been fixed by the Bd.

upto which losses solely due to cleaning may be compensated. The %age of loss will depend on the condition of each stock viz. the stage of deterioration or infestation of the stock in question. There have been cases in Malabar where the P.C.CS. have been granted subsidy to recoup losses due to the cleaning of old deteriorated stocks, which had ranged upto 5%. However, it seems better to consult the Bd. in the matter. Attention is in this connection invited to B' on p 1 Cl 2 of (M). The Stocks were not weighed before they were taken out for cleaning. Hence the actual quantity lost on account of the cleaning could not be arrived at. The Coll. of S. Kanara has informed that the wt. of the bye-products viz. 118 mds 20 Sers represented the loss due to cleaning for which compensation was already paid to the Stores. In view of this, the question of giving further compensation to the Stores does not arise, according to the Coll. & the Bd. The Bd. may perhaps be consulted again w.r.t. 'A' above. Their orders:

(ii) This information is not available in the file. The Bd. may be requested to report the amount of excess collection realised by the S.K. coop. Stores in respect of the quota of Malabar rice under reference. Their orders.

iii) The wholesale allowances have now been

P.T.O.

A
31/10/52

S
It is not
Decided that the entire process of cleaning is done under the supervision of the C.S. Officials & the loss is fixed & weighed before does not appear to be material & is not appearing due to the defaulter C.S. Stores. It is well known that in the case of bye products resulting while the loss due to actual loss by cleaning may exist & must necessarily arise on blowing away & not accounted in the bye products
31/10/52
B
31/10/52

fixed uniformly at 8 as per mid. Thereafter the State w.e.f. July 52, when fresh prices for rice were fixed for the current year. The break-up for the above allowance is given in ~~at~~ para 4 on p 2 of (M).

It may be pointed out that the S.K. Coop Stores ~~was~~ Bhandar was being paid only at the rate of Rs 0-6-3 per md of rice towards ~~the~~ profit margin. About this was enhanced to Rs 0-8-0 per md w.e.f 1-5-1952 & the Stores was paid the diffce in the margin with retrospective effect on all stocks handled by it since 1-5-52. (vide G.O. Rt. 708 Agrl. Dt 17-5-52) pp (5 to 20 c) (Y)

The enhancement of the margin of allowance was intended to meet losses on account of shortage due to long storage.

It may also be mentioned in this connection that the Collector's contention is that the shortage of 389 mds 26 srs of rice in question was not due to the cleaning of the stock of 7287 mds 9 srs, but was caused by drying on account of long storage by the Stores & that the provision for drying included in the margin of 8 as per md should be sufficient to cover this loss.

The enhancement of the margin may be taken into account while considering the question of payment of compensation to the Stores. Vide B's ltr dt 21-2-58 (M)

In view of the above, it is for consideration whether a further report may be called for from the D.C. whether A's & B's ~~ap~~ representations above or whether the Bd's recommendation to reject the request of the Stores for paying compensation, will be

A report may be called for SM 3/9/58

accepted:

29/X/54

31/10/54

FD

Orders of Secretary on pp 5-7 above

A draft memo to the Bd is submitted for approval.

2/11/54

3/11/54

2/11/54

pp from the Secretary to the Bd.

1/11/54

pp 13-14 of p15 of

(Issued as Memo No 117669 A III/Sec-2 dt. 3/11/54)

From the Bd. regno. 72896 M/s Co. dt. 31.12.54

Please see the note from p1 above.

2. W.r.t. the points referred to at A on pp 4 above, please see the Bd's reply on p15 of. The Bd has answered all the points raised by the Govt. For the reasons stated therein, the Bd still holds the view that there is no case for granting compensation to M/s S.K.C.C. & Stores, Mangalore, for the alleged loss in clearing the rice in question. It is for orders whether the Govt will agree with the Bd and if so, whether the claim of M/s Stores will be rejected.

3. After orders are passed, the file may be sent to Fin

for remarks.

4. The President of the S.K.C.C. W. Stores, Mangalore, has also stated that he is prepared to explain the matter to the Secretary, if called upon to do so. Submitted for consideration and orders whether the Secretary would like to hear the President of the Stores before passing orders. Temp 7/1

7/1/55

I don't think there is any case for the Society. As observed by the Bd the Society should have weighed the stocks correctly before they were taken out for cleaning. In view of what the Bd has stated now its claim for compensation may be rejected. 'A' above is for orders. A

7/1/55

8/1/55

Returned by Secy

Call for a report from the Bd as instructed

12/1/55

'M' above

A draft memo to the Bd is subd for appr.

12/1/55

12/1/55

16/1/55

Taken from OSE room on 29/1/55

Agri (A.II.)

Extract of Secretary's remarks from Note File bearing C.No. 995 AII/55 & ~~AII~~ (3)

xx xx xx

It is seen that the gross shortage and the quantity of bye products obtained are as follows:

Shortage. Maunds.	Bye products.
105 / 107.	34 bags @ 2/8-
103.01	53 bags @ -/4

Apparently weight per bag should be much less than in first case. This shows that byeproducts obtained are naturally very much less than the actual loss in cleaning. This aspect is relevant to the file regarding South Kanara Cooperative Society which is dealt with in a separate file.

N. S. A.
19-1-55.

/ True Extract /

Superintendent 1/2/55

Agri (A II)

Please see extracts of observations & Secretary alone.

A revised draft memo to Bd is

Subject for approval
1/2/55

1/2/55

1/2/55

(Issued as Memo No 117669 AII/55 & dt. 2/2/55)

M 31-334

AGRICULTURE (AII) DEPT.

Ref: From the Board of Revenue (CS) Ref.No.72816-A3/54 CS dated 27.7.1955.

....

Pp 35-36 F

Please see the Board's reply on pp.35-36 c.f.to the Memo.on pp.31-33 c.f.

2. The file deals with the request of the President of the S.K.C.C.W.Stores, Mangalore, South Kanara District, for the payment of a sum of Rs.8235-15-11 being the value of 389 maunds 26 seers of rice lost by the stores, while cleaning 7281 maunds of rice allotted to the Stores during July, 1952.

A

Y on p7F

Out of the total shortage of 389 maunds 26 seers in cleaning 7281 maunds of rice, the Collector of South Kanara allowed compensation for 118 maunds 2 seers of bye-products realised and disallowed the claim towards the loss in bulk of 389 maunds 26 seers, as the Collector determined the loss on account of cleaning as equivalent to the bye-products realised. The Collector rejected the request for the following reasons:

Vide A on p14F ✓ (M)

B

(i) The stock was not weighed before it was taken out for cleaning and the correct weight was not recorded;

(ii) The profit margin was enhanced to Re.0-8-0 per maund in order to enable the Stores to meet loss on account of shortage due to long storage.

Pp 3-7F ✓ (M)

The Stores appealed to the Board in December, 1953. While forwarding the appeal petition to the Government, the Board reported that, in respect of outright purchase transactions in all districts, the wholesalers were allowed a fixed consolidated margin of about 8 annas per maund, which was intended to meet the expenditure incurred by them on handling charges, transport and godown rent, and shrinkage, dryage and profit, that this lumpsum allowance was given irrespective of the amount actually spent by the wholesaler under each item, that, if there was any loss under one item

para 4 of p2F ✓ (M)

p.t.o.

it must be made up from the profit under the others, and that, in the circumstances, the request of the stores need not be admitted. The Government accepted the Board's recommendation and asked the Board to give a suitable reply to the stores.

3. The President of the Stores has now approached the Government with the same request. He has stated that he was prepared to explain the matter to the Secretary, if called upon to do so. The shortage in this case works out to 5.35%. As regards the maximum percentage of loss allowed in cleaning deteriorated stocks, the Board reported that generally 2% is allowed as reasonable towards the dryage due to long storage etc.and that this would depend upon the bonafides of the work done by the Stores. As the Collector of South Kanara had stated that the Stores did not weigh the stocks before cleaning and that there should have been bye-products upto or nearing the weight, the Board recommended that there was no case for giving any compensation to the Stores.

4. The Board was asked to furnish information on the following points:

(i) Whether there were not cases in which the Govt. allowed the shortages of more than 2% on account of the cleaning of rice and, if so, why the shortage of 5.35% on account of cleaning of 7281 maunds of rice by the S.K.C.C.W.Stores should not be allowed;

(ii) The Collector of South Kanara directed the T.S.O., Hosdrug and the A.T.S.Os of Kasargod and Nileswar to supervise personally the cleaning of rice by the Stores and note the actual shortage noticed in the Store registers in terms of maunds and seers. The Board was asked to report whether the cleaning was done under the supervision of the above officials and, if so, to report the shortages actually noted down by them;

p.t.o.

(iii) The contention of the Board that the weight of the bye-products viz.118 maunds 2 seers had been taken as loss due to cleaning of rice is not correct, as in actual practice the weight of the bye-products realised in cleaning will be less than the actual loss by cleaning as dust, insect, weevils etc.are blown away and not accounted for in the bye-products. The attention of the Board was also drawn to its reference in which it had reported that, in case of cleaning of wheat in Coimbatore District, the bye-products were lower than the shortages noticed.

With reference to the point (i) above, the Board has reported that the allowance of 2% referred to by it was towards dryage due to long storage and that in the case of cleaning of deteriorated stocks, the shortage is allowed with reference to the recommendation of the Assistant Entomologist, who fixes the percentage of shortage allowance in each case taking into consideration the condition of the stocks proposed to be cleaned, the period of storage of stocks etc. The Board has further reported that, in 4 cases shortages of more than 2% were allowed by the Government and that, in the present case, it has recommended the rejection of the claim of the Stores for the reasons given at A on p.36 c.f.

With reference to the point (ii) above, the Board has reported that the Civil Supplies officials supervised the cleaning of rice by the Stores and that the shortage noted by them agrees with the claim of the Stores but that the assessment of the shortage was not done correctly.

With reference to the point (iii) above, the Board has stated that, as there was no data to assess the correct shortage due to cleaning, the Collector allowed the shortage only to the extent of the bye-products obtained. The Board has further stated that the stores in not having weighed the stocks before cleaning apparently wanted to get the shortages

p.t.o.

on account of deterioration in storage also to be included in the shortages on account of cleaning, that this was quite irregular and that there is therefore no case for allowing the claim.

5. The Board has also added that if the Government are, however, inclined to take a lenient view of the case and to give compensation to the Stores, the Stores should atleast be deprived of the shortage allowance of Re.0-2-0 per maund earned by it in respect of the stocks in question because the Stores is not entitled to it in addition to the compensation for the entire shortage to be given to them and that, in that case, the amount of compensation payable will be Rs.7389-4-11 (Rs.8235-15-0 minus 2 annas per maund on 6773 maunds 12 seers or 846-11-0). In the circumstances, it is for orders:

(i) Whether the Board's recommendation that there is no case for allowing the claim of the Stores will be accepted;

or

(ii) Whether a lenient view of the case will be taken and sanction accorded for the payment of a sum of Rs.7389-4-11 to the Stores.

6. After orders are passed, the file may be sent to I.L.C. and Finance for remarks.

7. In this connection, it is submitted that the President of the Stores has stated that he is prepared to explain the matter to the Secretary, in person if called upon to do so. Orders are requested on this point also.

DDS

~~the bonus + copies of rec cleared + charges reported by the agencies in those grain bags considered high. It is to be seen the appeals report to be received I don't think there is any ground for rejecting the request of clearing as reported. The BDS recommendation may rest on the amount of the shortage to report in gross weight by which but this seems unnatural - view of the quantity being less under agreement AA p. 14 may be applied.~~

9/8/55

NC/Fin

C

Agri memo
No 47669 AII/56-7
dt 9/8/55

9/8
Ple 25282 C/55
10/8/55

SECOND ASSISTANT SECRETARY
10 AUG 1955
DEPARTMENT OF INDUSTRIES, LABOUR AND CO-OPERATION

Ilc(c)dlp/c-

Agri note on pp 11-15 above may be perused ~~and the file passed on to Fin.~~ This Dept may agree with the views of Agri Secretary and the case may be passed on to Finance.

11.8.55

18/8/55

16/8/55

17-8-55
Fin

ADDITIONAL DEPUTY SECRETARY TO GOVT
64989
19 AUG 1955
FINANCE DEPARTMENT

Ilc(c) 0/528/IC II/55-1
18-8-55

16

Fin (Accts)

The note of Agri. on PP 11-15 above may be perused. Finance may agree with the views of Agri. Secretary on PP 14-15 above. MI(F&E) may see.

22.8.55

25-8-55

Agri

Agri

THIRD ASSISTANT SECRETARY TO GOVERNMENT
77478
26 AUG 1955
AGRICULTURE DEPARTMENT

Agri

Finn. 6498 Accts/55
25/8/55

Agri (A.II.)

Note for Circulation.

The file deals with the request of the President of the South Kanara Central Cooperative Wholesale Stores, Mangalore, South Kanara district, for the payment of a sum of Rs.8235-15-11 being the value of 389 maunds 26 seers of rice lost by the stores, while cleaning 7281 maunds of rice allotted to the Stores during July, 1952.

2. Out of the total shortage of 389 maunds 26 seers in cleaning 7281 maunds of rice, the Collector of South Kanara allowed compensation for 118 maunds 2 seers of bye-products realised and disallowed the claim towards the loss in bulk of 389 maunds 26 seers, as the Collector determined the loss on account of cleaning as equivalent to the bye-products realised. The Collector rejected

the request for the following reasons:-

(i) The stock was not weighed before it was taken out for cleaning and the correct weight was not recorded;

(ii) The profit margin was enhanced to Re.0-8-0 per maund in order to enable the Stores to meet loss on account of shortage due to long storage.

The Stores appealed to the Board in December, 1953. While forwarding the appeal petition to the Government, the Board reported that, in respect of outright purchase transactions in all districts, the wholesalers were allowed a fixed consolidated margin of about 8 annas per maund, which was intended to meet the expenditure incurred by them on handling charges, transport and godown rent, and shrinkage, dryage and profit, that this lumpsum allowance was given irrespective of the amount actually spent by the wholesaler under each item, that, if there was any loss under one item it must be made up from the profit under the others, and that, in the circumstances, the request of the stores need not be admitted. The Government accepted the Board's recommendation and asked the Board to give a suitable reply to the stores.

3. The President of the Stores has now approached the Govt. with the same request. The shortage in this case works out to 5.35% As regards the maximum percentage of loss allowed in cleaning deteriorated stocks, the Board reported that generally 2% is allowed as reasonable towards the dryage due to long storage etc.. and that this would depend upon the bonafides of the work done by the Stores. The Board has further reported that the allowance of 2% referred to by it was towards dryage due to long storage and that, in the case of cleaning deteriorated

stocks, the shortage is allowed with reference to the recommendations of the Assistant Entomologist, who fixes the percentage of shortage allowance in each case taking into consideration the condition of the stocks proposed to be cleaned, the period of storage of stocks etc. In 4 cases, shortages of more than 2% were allowed by the Government. The Civil Supplies Officials supervised the cleaning of rice by the Stores in this case and the shortage noted by them agrees with the claim of the Stores but the assessment of the shortage was not done correctly.

4. The Board has added that, as there was no data to assess the correct shortage due to cleaning, the Collector of South Kanara allowed the shortage only to the extent of the bye-products obtained, that the Stores in not having weighed the stocks before cleaning apparently wanted to get the shortages on account of deterioration in storage also to be included in the shortages on account of cleaning, that this was quite irregular and that there is, therefore, no case for allowing the claim.

5. The Board has further added that, if the Govt. are, however, inclined to take a lenient view of the case and to give compensation to the Stores, the Stores should atleast be deprived of the shortage allowance of Re.0-2-0 per maund earned by it in respect of the stocks in question because the Stores is not entitled to it in addition to the compensation for the entire shortage to be given to it and that, in that case, the amount of compensation payable will be Rs.7,389-4-11 (Rs.8,235-15-11 minus 2 annas per maund on 6773 maunds 12 seers or 846-11-0.). The cleaning of rice was done by the Stores under the supervision of Civil Supplies Officials. The Board admits this and says that

P35-F

✓ (A), (B) and (D) (Another disposal not readily available)

para 2 of P36-F

para 3 of P36-F

— do —

vide Secy's note on pp 14-15 above

1662

L. C. Secy's note on pp 14-15 above

the figures and weight of rice cleaned and shortages reported by them agree with those given by the Stores, though the Board holds the report of the officials to be incorrect. There is no ground for rejecting the result of cleaning as reported. The Board's recommendation merely rests on the omission of the Stores to report the gross weight beforehand but this seems immaterial in view of the operation having been done under official supervision. In the circumstances, this department ~~have~~ proposes to take a lenient view of the case and sanction the payment of a sum of Rs.7389-4-11 to the Stores. I.L.C. and Finance agree.

p15 above

A

p15-16 above

6. The case may be circulated to M (A) M (H) and M (F & E) for orders whether A above will be approved.

14pm 30/8/55

30/8/55

Swaminathan 31.8.55

K S Ramachandra 1/9/55

SECRETARY 10 SEP 1955 AGRICULTURE DEPARTMENT

M (A) M Bhaktavatsalam 5/9/55

M (F&E) L Subramaniam 12.9.55

SECRETARY 14 SEP 1955 AGRICULTURE DEPARTMENT

M (H) engaged 13/9

Agr (A II)

(orders in On above)

A draft order is submitted for Fin may see before issue.

15/9/55

Fin

DEPUTY SECRETARY TO GOVERNMENT 2657 16 SEP 1955 Agri FINANCE DEPARTMENT

Agri now 117669-A II/54

d. 16/9/55

14/9/55

15/9/55

20.

Fin. (Accts)

(Re. Fin. note on p. 16 above) :

The orders in circulation on p. 19 above and the draft order below may be perused and the file returned to the Agis. Dept.

20.9.55

20.9.55

Agis

Fin U.O. 7265/Accts/55-1.
21/9

Issue

22/9/55

Addl (I)

22/9

(Issued as p. No. 1217
Agis dt. 22/9/55)